

## Message Text

UNCLASSIFIED

PAGE 01    SAO PA 00531 081716Z  
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-08 CIAE-00 INR-07 NSAE-00  
COME-00 TRSE-00 /030 W  
-----081927Z 074521 /53

R 081330Z MAR 77  
FM AMCONSUL SAO PAULO  
TO SECSTATE WASHDC 7545  
INFO AMEMBASSY BRASILIA  
AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 0531

PASS EXIMBANK

E.O.11652: N/A  
TAGS: GIPROWBJ BR  
SUBEBMGTV D OVERDUE PAYMENTS OF FERTIPLAN S. A. AND FERTIBASE S. A.

REF: STATE 040703

1. CONVERSATION WITH MARCOS POLACOW, PRESIDENT OF FERTIPLAN/  
FERTIBASE (SEE WTDRSGZOG PWKLO 0260 & 0259 DATED 2/2/77)  
CONFIRMED CASH FLOW DIFFICULTIES OF SUBJECT FIRM AND CR\$100 MILLION  
LOAN FROM CAIXA ECONOMICA FEDERAL.

2. TELEPHONE CALL TO MR. MIGUEL ETHEL, ECONOMIST WITH MINISTERIO  
DA FAZENDA IN SAO PAULO CONFIRMED THAT CR\$100 MILLION LOAN  
TO FERTIPLAN/FERTIBASE HAD BEEN APPROVED BY MINISTERIO DA  
FAZENDA AND MONEY SHOULD BE ISSUED BY CAIXA ECONOMICA FEDERAL  
IN 30-45 DAYS. COLLATERAL FOR LOAN IS FERTIPLAN'S INDUSTRIAL  
PLANT IN CUBATAO AS WELL AS PART OF ITS ADMINISTRATIVE BUILDING  
IN SAO PAULO. ACCORDING TO ETHEL, CAIXA ECONOMICA FEDERAL  
MONEY WILL BE ISSUED DIRECTLY TO FERTIPLAN/FERTIBASE CREDITORS  
COVERED BY EXIMBANK GUARANTEES. POLACOW, HOWEVER, ASSUMED  
MONEY WOULD BE DELIVERED IN A LUMP SUM TO FERTIPLAN/FERTIBASE  
ACCOUNT TO BE PART OF THE FIRM'S WORKING CAPITAL.  
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PAGE 02    SAO PA 00531 081716Z

3. LATEST FINANCIAL DATA ON FERTIPLAN/FERTIBASE FOR 1976  
INDICATES SERIOUS DECLINE IN LIQUID PROFITS, RAPID GROWTH  
IN PRODUCTION AND FINANCING COSTS, AND DECLINE IN LIQUID MARGIN  
FIRM IS CURRENTLY BEING HURT (IN JAN-FEB 1977) BY DECREASED  
FERTILIZER SALES CAUSED BY: 1) STOCKPILING BY FARMERS IN 1976,  
IN THE FACE OF REMOVAL OF FERTILIZER SUBSIDY, (2) THE SEASONAL

SALES DECLINE AT FIRST OF THE YEAR, AND (3) GOVERNMENT INDE-  
CISION AS TO FERTILIZER POLICY.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977SAOPA00531  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770079-1200  
**Format:** TEL  
**From:** SAO PAULO  
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**Image Path:**  
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**Message ID:** 5a29febb-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 40703  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 12-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3176309  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EBMGTVD OVERDUE PAYMENTS OF FERTIPLAN S. A. AND FERTIBASE S. A.  
**TAGS:** EFIN, BR, XMB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/5a29febb-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009